

GUJARAT TECHNOLOGICAL UNIVERSITY
M.B.A.- SEMESTER – IV EXAMINATION – OCTOBER 2012

Subject code: 2840003**Date: 25-10-2012****Subject Name: Business Ethics and Corporate Governance****Time: 2:30 pm – 5:30 pm****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** (a) What is ethics? Describe the ethical theory in detail. **07**
(b) Explain the Kohlberg's six-stage of moral development to establish any violation of moral responsibility. Illustrate your answer with reference to an example of known violation of moral responsibility in a society or in a business place. **07**
- Q.2** (a) How we can formulate our Values? What are the business values for the 21st century? **07**
(b) Why ethical decision-making is difficult? Analyse the steps of ethical decision-making, identify the shortcoming and suggest some modification based on your understanding of moral standards and ethical behavior. **07**
- OR**
- (b) What are three dimensions of Ethical leadership? **07**
- Q.3** (a) Describe the Satyam Accounting scandal in detail. **07**
(b) What is CII? Explain the CII report in detail. **07**
- Q.3** (a) What is CSR? What are the arguments for social responsibilities of business? **07**
(b) What is Whistle blowing? Briefly explain the whistle blowing. **07**
- Q.4** Case study: **14**
R.C. Bhargava, chairman, Maruti Suzuki India Limited (MSIL). Says: 'a promoter should certainly not think of his company's responsibility only in terms of financial interest as often happen. Also charitable acts should not get precedence over protecting the interest of the direct stakeholders and the environment. I believe every company must understand and implement measures which would enable sustained growth and prevent bankruptcy as closure of a company would lead to disruption in the lives of many in the society and may often cause serve hardship to the weaker amongst stakeholders'. He goes on emphasise that in India government policy to promote infrastructure and heavy industries through public sector was to bring about economic growth with equity. He cites MSIL as an example in this context, 'the parliament decided that a government company should be established to modernize the Indian automobile industry. The management of MSIL decided that this objective had to receive its undivided attention'. The company retained this as the focus of its objective and works out strategies as to how the same could be accomplished within the constraint of operating as a public sector company. 'Maruti recognized that the then

existing system for managing a public sector unit were unlikely to attain the desired results and so drew heavily on the Japanese experiences', Bhargava concludes, ' Maruti did not follow many part of the practices normally applicable to government companies as part of their social responsibility. The result speck for themselves.'

- (a) Discuss and analyses the case. Find out the problem and give the solution for it.

OR

Q.4 (a) Write down the Naresh Chandra committee report and recommendation on corporate governance. **07**

Q.4 (b) Explain the corporate governance in global practices. **07**

Q.5 (a) Discuss the main provisions of the SEBI clause 49 for the Role and responsibility of directors. **07**

(b) Briefly Explain Indian model of CG and evolution of Corporate Governance in India **07**

OR

Q.5 (a) What is Corporate Governance rating? Describe the ICRA's methodology for CG rating. **07**

(b) Explain the rights and responsibilities of shareholders in detail. **07**
